

DEPARTMENT OF VETERANS AFFAIRS

Regional Office

P.O. Box 1437

St. Petersburg, FL 33731-1437

January 26, 2009

In Reply Refer To: 317/262

INFORMATION BULLETIN 26-09-01
TO: ALL FLORIDA, ALABAMA, MISSISSIPPI, PUERTO
RICO AND U.S. VIRGIN ISLANDS LENDERS
SUBJ: LOAN PRODUCTION NOTIFICATION
REQUIREMENTS

PURPOSE

To provide all lenders involved with the Department of Veterans Affairs (VA) Home Loan Program an annual reminder on certain requirements relating to the Loan Production Section.

PAID IN FULL LOANS

Prior to the roll-out of VA Loan Electronic Reporting Interface (VALERI), lenders or servicers were required to sign and date the Loan Guaranty Certificate (LGC) when the loan was paid-in-full and submit it to VA. Under the new environment, holders of VA-guaranteed loans are required to electronically report the date the loan was paid-in-full in the VALERI system.

PAID IN FULL REPORTING PROCEDURE

Effective immediately, lenders/servicers are not required to mail LGCs to VA when a loan is terminated. Since this information will now be reported via VALERI, there is no longer a need to have the actual LGC returned to VA upon termination of the loan.

PRIOR APPROVAL LOANS

Lenders should also notify the VA to cancel or withdraw loans that did not close for which a Certificate of Commitment (VA Form 26-1866) was previously issued. Certificates of Commitment are only valid for six months from the date of issuance, therefore extensions should also be requested if the loan does not close within that time frame.

FUNDING FEE REFUND REQUESTS

All refund requests made by the original lender, for payments made in the VA Funding Fee Payment System (VAFFPS), will be made in VAFFPS. Please complete the appropriate fields, providing the explanations to support the refund. If the loan did not close and the funding fee was transmitted in error, please provide specific details why the loan did not close and why the funding fee payment was made prior to closing. Refund requests made by the lender/servicer, who is not the original lender, must be made in writing and submitted with all pertinent information to support such a request. Please be advised that if the refund is due to the veteran being over-charged, the refund amount will be returned to the veteran if the fee was paid in cash or it will be returned to the lender if the fee was financed into the loan amount and evidence of the principal balance reduction will then be required.

LOAN GUARANTY CERTIFICATE CORRECTION REQUESTS

In order for corrections to be made to Loan Guaranty Certificates, the original must be returned along with proper documentation to support the requested change.

LENDER INFORMATION CHANGES

Please notify our office as soon as possible of any changes that would effect our lender records such as name changes or address changes. Notification of such changes should be made in writing and include your company's VA Lender Identification Number, old information, new information, and a contact point if further information or clarification is necessary.

BACKGROUND

The above requirements are to help assist us in keeping the VA Home Loan Program running efficiently for both lenders and veterans. We thank you for cooperating with these requirements and if you have any questions about the items contained in this Information Bulletin, please feel free to contact our lender information line at 1-888-611-5916.

Thank you for helping us serve our Veterans.

DONNY FLORES

Loan Guaranty Officer